

AGENDA ITEM #11

May 14, 2004

To: Delta Protection Commission

From: Margit Aramburu, Executive Director

Subject: Briefing on Settlement of Lawsuit Regarding Proposed Development of Stewart Tract (River Islands Project), City of Lathrop, San Joaquin County
(For Commission Discussion and Possible Commission Action)

BACKGROUND:

For over ten years, landowners and project proponents have been working toward development of Stewart Tract, located in the Secondary Zone of the Delta, south of Old River and west of the San Joaquin River. The Mossdale area and Stewart Tract were Included in the City's Sphere of Influence in October 1992 and annexed into the City of Lathrop in October 1997 after the City approved a Specific Plan for an earlier development--Gold Rush City. The River Islands project was approved by the City in January 2003.

Sierra Club filed lawsuits regarding various issues associated with development of Stewart Tract.

SETTLEMENT AGREEMENT:

In December 2003 the City, the Sierra Club, Eric Parfrey (an individual), and Cambay and Califia (developers) entered into an agreement to settle litigation regarding the proposed River Islands project (attached).

The agreement will result in the formation of a new land trust and the payment of a per acre agricultural land mitigation fee. The fee will be use to acquire fee title to or agricultural conservation easements covering agricultural land within San Joaquin County or the surrounding areas. The land trust will be encouraged to secure such land in the general vicinity of the City of Lathrop.

The agricultural mitigation fee will be \$2,200 dollars for each acre of land to be developed (not including Paradise Cut or lands on the outboard side of the revised levee system). The covered property is approximately 3,800 acres that will result in approximately \$8.36 million dollars in mitigation fees at full development of Stewart Tract.

These mitigation fees are in addition to mitigation fees for other environmental impacts associated with development of the proposed project.

ISSUES FOR COMMISSION DISCUSSION:

- Should the Commission express support for acquisition of lands or easements from this mitigation program in the Legal Delta?
- Should the Commission express support for acquisition of land or easements from this program between developed areas and the Primary Zone of the Delta?